

DIVISION OF LICENSING AND REGULATORY SERVICES  
CERTIFICATE OF NEED UNIT  
APPLICATION FORMAT FOR HEALTH CARE FACILITIES  
(OTHER THAN NURSING HOMES)

**Application Format**

**SECTION I. PROFILE OF THE APPLICANT**

**Purpose**

The purpose of this section is to identify the legal entity applying for the Certificate of Need, and the capabilities and attributes which qualify it to implement the proposed project. The information enables the Department to determine whether the applicant is fit, willing and able to implement the proposal at the proper standard of care.

According to 22 M.R.S.A. §328(24), a project means any acquisition, capital expenditure, new health service or change in a health service, predevelopment activity or other activity that requires a Certificate of Need. A capital expenditure means an expenditure, including a force account expenditure or predevelopment activities, that under generally accepted accounting principles is not properly chargeable as an expense of operation and maintenance and, for the purposes of this chapter, includes capitalized interest on borrowed funds and the fair market value of any property or equipment that is acquired under lease or comparable arrangement or by donation.

The applicant should describe:

- The legal entity proposing the project, including the parent organization;
- The identity of all principal personnel involved in implementing the proposal;
- The relationship, including the organizational relationship, of the proposed project to the delivery of patient care, ancillary or support services; and
- In the case of existing services or facilities, the quality of care provided by those facilities in the past.

The types of questions the Department may ask include:

- Is the applicant a legal entity recognized under applicable state statutes and authorized to conduct the proposed services?
- Is there anything that might limit the applicant's ability to implement the proposed project?
- Is there evidence to support the applicant's willingness or ability to provide the proposed services at the proper standard of care?
- Does the applicant provide evidence to support the applicant's ability or willingness to provide quality care, such as statistical, outcome-oriented performance data, and comparison to any state or national standards?
- Does the applicant hold current licenses/certifications/accreditations, e.g. State, Medicare/Medicaid, Blue Cross/Blue Shield, JCAHO, etc.?

- Do the resume and/or written documentation provide evidence of appropriate licensure, education, and/or experience of principal personnel involved in the proposed project?
- Does the applicant provide evidence and/or assurance that staff will meet applicable professional standards (e.g. Board Certified or Board Eligible physicians)?
- Does the project complement the applicant's existing duties/services?
- Are the applicant's financial performance measures (e.g. current ratios, debt service coverage ratios, etc.) indicative of a financially viable organization/entity and how does the proposed project impact those ratios?
- Does the application provide evidence to confirm the general or financial integrity of the applicant?
- Has the applicant defined adequate mechanisms within the system to assure quality of care?

#### Required Information

Information in this section shall include:

1. The name and principal address of the applicant;
2. The type of legal organization of the applicant (nonprofit/proprietary corporation/partnership, etc);
3. The current primary and secondary service area (inpatient and outpatient, as applicable) of the applicant and the methodology/data source for determining the validity of those areas;
4. The current capacity (e.g., the number of licensed beds, number of full time equivalents) of the applicant;
5. The names, locations, and relationships of all affiliated entities/related parties;
6. A listing of all health care facilities and services in which the applicant, one of its principals, or an affiliate has been involved within the previous twenty-four months.
7. Current licenses, accreditations and certifications of the applicant;
8. State licensing authority "Statements of Deficiencies" and site visit reports from the previous three years for all the health care facilities and services in which the applicant, one of its principals, or an affiliate has been involved (See Maine Certificate of Need Manual, Chapter 6);
9. Financial statements and key financial measures; and
10. Quality measures, as may be requested by the Department.

#### Additional Information

Information in this section may include:

1. The names and qualifications of the principals, directors, administrators, and key individuals involved in the project;
2. An organizational chart of the applicant;
3. A consolidated organizational chart of the applicant and its affiliates;
4. When an applicant demonstrates to the Department that information sought under this provision is confidential and ~~protected from discovery by 24 MRSA section 2510, 32 MRSA section 3296,~~ or other applicable State or Federal statute, the Department shall exempt the applicant from submitting such information.

Deleted: /or

JCAHO and other accrediting body reports are not a matter of routine inquiry, but disclosure by a health care facility is an indicator of the transparency of the quality of care of the provider. . Reference is made to such reports under the "Additional Information" heading, which states that the information may be included, not shall be included.

## **SECTION II. PROJECT DESCRIPTION**

### **Purpose**

The primary purpose of this section is to describe the project and the capital expenditures. Typically, projects involve a change in one or more of the following:

- ° services;
- ° technology;
- ° facility/plant;
- ° licensed capacity/complement; or
- ° ownership.

### **Required Information**

Applicants shall provide the following information:

1. A concise summary of the project;
2. The applicant's assessment of why/how **the** project is consistent with and satisfies the priorities of the State Health Plan;
3. Specific plans to introduce new preventive services that relate to the need for the proposed project and how the impact of those services can be measured by the project itself;
4. The location of the proposed project;
5. The relationship of the proposed project to the applicant's current services;
6. The anticipated benefits to the public associated with the proposed project and the public's ability to support the project;
7. The anticipated gains in effectiveness and/or efficiency associated with the proposed project and how those will be measured/reported;
8. Whether the applicant meets the voluntary price and cost targets established by the Dirigo Reform Act, PL 469;
9. Whether the applicant has or will (via the proposed project) invest in and/or use an electronic medical records system with an HL7 interface, allowing for exchange of information;
10. The region's **existing** capacity for such services, including how the proposed project impacts volume of services and quality of care of other providers in the local area, as well as the primary or secondary service area, including the rationale for defining the service area;

11. How will costs of other providers likely be impacted (for example, will the planned service have an impact on rural providers by altering referral patterns that may impact the viability of such providers, and what can mitigate those impacts);
12. Whether “green” building standards strategies will be used, and the potential impact of the project both on internal as well as external environments; and
13. A three-year implementation plan and schedule.

Proposals involving a change in services shall also provide information on:

1. The applicant's philosophy of care (including, as appropriate, what prevention programs have been or will be incorporated by the applicant in the proposed project).
2. The populations to be served (demographics, distinguishing characteristics);
3. The services/procedures to be performed;
4. The location(s) of the service site(s);
5. Comparative current and projected utilization data and a description of the **verifiable** data source or methodology; and
5. The quality assurance measures to be utilized.

Proposals involving a change in technology shall also provide information on:

1. The intended use of the equipment;
2. The equipment under consideration, including the relationship of replacement equipment to the proposed project;
3. A comparison of the proposed equipment to that currently in use; and
4. An analysis of the probable impact on current practice patterns of the proposed change.

Proposals involving a change in facility/plant shall also provide information on:

1. The type of project (remodel/renovation, addition/expansion, new/replacement);
2. The type of construction (single/multiple story; foundation/floor structure. framing/siding, roof structure. etc.);
3. The dimensions of the current and proposed facility (gross/net square feet by facility. by department, etc.)
4. Two copies of single line schematic plans drawn to scale (preferably 1/8" to 1') with all areas properly identified;
5. In the case of construction on a new site, a deed, purchase and sale agreement, option or lease agreement;
6. The best practices in building construction, renovation and operation incorporated in the project;
7. The historic rate of growth in capital expenditures for the three most recent fiscal years, including the nature of those expenditures; and
8. The extent to which the project meets future needs (relationship to any facility master plan).

It is suggested that the applicant submit 8 1/2" x 11" reductions of the above referenced schematics as part of the application.

Proposals involving a change in licensed capacity shall also provide information on:

1. The existing licensed bed complement by type (Medical/Surgical, Nursing Care, Intensive Care/Cardiac Care, swing beds, etc.);
2. The existing staffed bed complement by type (Medical/Surgical, Nursing Care, Intensive Care/Cardiac Care, swing beds, etc.);
3. The proposed new licensed capacity by type;

4. The manner in which the change will occur (add capacity, delete, convert from other use. move from another site. etc.); and
5. The effect of the proposed change in capacity on service delivery, access, availability and costs on the applicant and in the region.

Proposals involving a change in ownership shall also provide information on:

1. The proposed ownership structure as described in "Section I Profile of the Applicant"; and
2. The effect of the change in ownership on the existing service delivery, management, and finances.

#### Additional Information

The Department may require the applicant to provide a complete set of legible drawings showing all construction, fixed equipment (including name and model as supplied by the manufacturers), and mechanical and electrical systems proposed to be installed or built.

### **SECTION III. PROPOSED CAPITAL EXPENDITURES AND AVAILABILITY OF CAPITAL FINANCING**

#### Purpose

The primary purpose of this section is to demonstrate that the proposed capital expenditures are reasonable and appropriate, and that the applicant has the capital financing available to implement the project.

The information helps the Department to determine the economic feasibility of the proposed project in terms of the effect of the capital expenditures on the operating budget of the applicant, the projected impact on the facility's cost and rates, and the total health care expenditures in the community and the State; and further to determine that the proposed services are consistent with the orderly and economic development of health facilities and health resources for the State.

The Department may consider:

- The availability of funds for the proposed capital needs, including the applicant's investment in relation to borrowing;
- The reasonableness of the proposed capital financing;
- The costs and methods of any proposed construction or modification of a facility, including the costs and methods of energy provisions;
- The probable impact of the proposal being reviewed on the costs of providing health services by the person proposing the construction project and on the costs and charges to the public of providing health services by other persons;
- The special circumstances of health care facilities with respect to conserving-energy; and
- In the case of health services or facilities proposed to be provided, the efficiency, appropriateness and cost-effectiveness of the use of existing services and facilities similar to those proposed.

### Review Questions

The types of questions that the Department may ask include:

- Are the proposed capital expenditures capitalized in accordance with Generally Accepted Accounting Principles?
- Does the applicant's itemized list of capital costs provide for other costs incident to the project. e.g., interest, architect fees, legal fees, etc.?
- Are the applicant's capital expenditures reasonable and are they inclusive of the capital expenditures for the accounting period?
- Is capital financing available at the applicant's stated rates and terms of borrowing?
- Has the applicant provided letters of commitment?
- How do the applicant's stated rates and terms of borrowing compare with the current market?
- Do the applicant's financial statements and capital expenditures budget document the applicant's ability to provide the proposed equity contribution?
- Do the applicant's financial statements and capital expenditures budget indicate that the applicant is capable of providing a reasonable equity contribution?

### Required Information

Information in this section shall include:

1. An itemized list of all costs subject to review which will be capitalized in accordance with Generally Accepted Accounting Principles and might include, but not be limited to, the costs of land, land improvements, buildings, fixed equipment, movable equipment, furniture and fixtures, capitalized interest during construction and capitalized legal, accounting, engineering and architects' fees (see accompanying Proposed Capital Expenditure Schedule);
2. The basis for each of the capital costs related to the project (for example, architect, contractor or vendor quotes);
3. Schedules for fixed and movable equipment (including any replacement equipment that may not be subject to review but are related to the project) detailing unit cost, total cost, and basis for depreciation expense;
4. If applicable, subsidiary schedules allocating costs to various segments of the project and the basis for these allocations;
5. Evidence of the availability of capital financing such as financial statements as evidence of equity or commitment letters from external sources of capital;
6. Projections of the project's potential impact on the applicant's consolidated operating margin, the applicant's operating margin, and, in the instance of a hospital, the projected impact of the project on the hospital's cost per adjusted discharge, in the context of historical cost per

adjusted discharge and projected cost per adjusted discharge in the absence of the project (using a formula supplied by the Department);

7. Evidence of the availability of working capital; and
8. The terms of any proposed long term financing.

PROPOSED CAPITAL EXPENDITURES BUDGET

	<u>Estimated Cost</u>
Purchase of Land/Related Fees	\$ _____
Purchase of Building(s)	_____
Land Surveys, Soil Tests, Borings	_____
Architects' Basic Fees (Original Design and Revisions)	_____
Engineering Consultant Fees	_____
Plans and Specifications (Printing)	_____
Project Supervision (Architect or Other)	_____
Construction (including site and off-site work, general, plumbing, heating, air conditioning, ventilation, electrical, elevators, connecting utilities, etc.)	_____
Contingency fees (per Certificate of Need limits)	_____
Fixed Equipment (outside the construction contract) to be purchased directly by the applicant	_____
Movable Equipment	_____
Consultant Fees (feasibility, financial, management studies and surveys	_____
Legal Fees	_____
Insurance (Premium) During Construction	_____
Permit Fees (State/Local/CON)	_____
Interest During Construction	_____
Federal Agency Finance/Service Fees (FHA/HUD, SBA, Rural Dev., MHHEFA, etc.)	_____
<b>TOTAL ESTIMATED CAPITAL EXPENDITURES</b>	<b>\$ _____</b>

**SECTION IV. NEEDS TO BE ADDRESSED**



### Purpose

The primary purpose of this section is to demonstrate the need for the proposed project. Information in this section describes needs that may be experienced by the public and/or the applicant. The applicant must also address the need for the project in terms of the priorities in the State Health Plan.

The information enables the Department to determine that there is a public need for the proposed project, and the project is a priority for the citizens of Maine.

The Department may consider:

- The current and projected needs that the population served or to be served may have for the proposed services;
- The availability of less costly alternatives or more effective methods of providing the proposed services;
- The relationship of the proposed services to the existing health care systems;
- The effect of competition on the supply of the health service being reviewed; and
- The relationship of the health services being reviewed to the State Health Plan.

### Review Questions

The types of questions the Department may ask include:

- Are the applicant's service area population projections supported by other data regarding demography, patient origin, population growth projections and disease rates?
- Has the applicant provided comparative, age specific and relevant statistical indicators of past and future demand for services, e.g. use rates, disease rates, units of service rates, and related trends analysis? Is the proposed volume of service consistent with potential demand defined by these statistics and does it consider the impact of prevention services and the promotion of effective care?
- Do other providers already serve the proposed population? Are the services of other providers under-utilized?
- Is there an apparent potential for the proposed services to positively augment related services of the applicant or other area providers?
- Has the applicant demonstrated coordinated efforts with other providers and/or support of the proposal by other providers?
- Will there be a reduction of utilization endangering the continuation of existing services offered by other providers?
- Is the need identified in this proposal consistent with applicable State policy and related plans? (also addressed in Section VIII)

- Has the applicant demonstrated an unmet need using applicable need determination methods?
- Has the applicant provided a literature review that supports the need for the proposed services and that the project is representative of evidence-based practices?

#### Required Information

Information in this section shall include:

1. The service area to be served by the project;
2. The population to be served by the project;
3. The historical use patterns relative to the project;
4. The current system's capacity to meet projected need and demand;
5. A three-year projection of both need and demand;
6. The project's capacity to meet projected need and demand;
7. The basis for these projections; and
8. The target population's access (geographic, financial, etc.) to the proposed service.

#### Additional Information

Information in this Section may include, if applicable:

1. Discussion of deficiencies and/or waivers related to licensing, certification, accreditation and/or liability coverage that will be resolved due to the project;
2. Need determination methods and/or standards of quality of care (do not simply restate the Department's need estimates); and
3. A reconciliation of differences between need and demand, and a discussion of the potential for increase in demand and how the project will prevent unnecessary services.

### **SECTION V. STAFFING, FINANCIAL FEASIBILITY AND ECONOMIC FEASIBILITY**

#### Purpose

The primary purpose of this section is to demonstrate that the proposed project can be adequately staffed and will be both financially and economically feasible.

The information enables the Department to determine that the economic feasibility of the proposed services is demonstrated in terms of: Effect on the existing and projected operating budget of the applicant; the applicant's ability to establish and operate the facility or services in accordance with

licensure regulations promulgated under pertinent State laws; and the projected impact on the facility's costs and rates and the total health care expenditures in the community and the State.

The Department may consider:

- The availability of resources, including health personnel, management personnel and funds for capital and operating needs for the provision of the proposed services and the availability of alternative uses of the resources for the provision of other health services;
- The relationship, including the organizational relationship, of the proposed services to ancillary or support services;
- The immediate and long-term financial and economic feasibility of the proposal, as well as the probable effect of the proposal on the costs, charges and net patient revenues for providing health services by the applicant;
- The effect of the means proposed for the delivery of health services on the clinical needs of health professional training programs in the area in which the services are to be provided and, if applicable, the extent to which the health profession schools, if any, in the area will have access to the services for training purposes;
- The effect of competition on the supply of the health service being reviewed and the system-wide cost of health care; providing, however, that this provision shall not be interpreted to mean that the Department is obligated to approve a project to increase competition where such increased competition is likely to increase system-wide health care costs;
- The efficiency, appropriateness, and cost effectiveness of existing services and facilities similar to those proposed; and
- The probable impact of the proposal being reviewed on the costs of providing health services.

#### Review Questions

The types of questions the Department may ask include:

1. Will the applicant's proposed staffing plan provide the proposed services at the proper standard of care?
2. Has the proposed staffing plan been approved by the Division of Licensing and Certification (for applicable projects)?
3. Is the proposed staffing plan consistent with professional organization standards, current staffing at existing facilities, similar CON applications on file and/or other available standards and guidelines?
4. Is the proposed staffing plan consistent with the projected volume identified in the need section?
5. Are there qualified staff within the existing organization?
6. Does the applicant propose a staff training program?
7. Does the applicant have staff recruitment and retention plans and if so is there a documented supply of available manpower resources?

8. Does the project include equipment needs that require specialized health care and maintenance personnel?
9. Are the pro forma financial statements consistent with Generally Accepted Accounting Principles?
10. Are the pro forma volume, revenue, capital expenditures, interest and depreciation expenses consistent with information presented elsewhere in the proposal, and do they appear reasonable?
11. Are the pro forma financial statements internally consistent?
12. Are the projected expenditures, costs and expenses comparable to those of existing services and facilities similar to those proposed?
13. Are the proposed service population's needs and demands being met currently?
14. How will the addition of further competition affect the current system of services and the costs associated with the system?
15. How does this proposal relate to the existing system of services?
16. Do other providers maintain a service that is presently under-utilized, at or over capacity?
17. Is there potential for the proposed service to augment other related services of the applicant or other area providers?
18. Would the proposed service tend to reduce the effective provision of health services within the total system?
19. Would the proposed service have a negative impact on existing services?
20. Does the project have the potential to attract manpower resources away from other area providers?
21. Are the existing support services sufficient to effectively continue operation without expansion or reduction in quality?
22. Will this project alter existing patient referral patterns?
23. Does the applicant's proposal contain any factors that might limit licensure?
24. Does the proposal contain any factors that might be inappropriate in its use of manpower, equipment, communication flow, patient flow or supply flow?
25. Is the proposed construction timing consistent with cost containment in the consideration of phases, environmental factors, market, etc?
26. Does the project design consider techniques that minimize energy use, heat loss, fuel costs?
27. Are the proposed charges consistent with comparable service rates within the area and health system?

28. Will the project alter existing reimbursement rates from third party payors?
29. Will the project result in an increase of any existing charges within the facility or in other area facilities?
30. Will this project result in cost increases for expanded community support services such as fire, police, ambulance, roads, waste handling?
31. How does the proposal affect the applicant's current financial requirements?
32. Are projected expenses presented in a manner consistent with GAAP?
33. What are the incremental adjustments to financial requirements associated with the proposed project?

#### Required Information

Information in this section shall include:

1. The proposed initial staffing plan, staff qualifications, estimates of full-time equivalent units (hours, weeks, etc.) of work, anticipated rates of pay, gross payroll and fringe benefits, arriving at the total annual payroll cost applicable to the project;
2. The total annual payroll costs for three years from the anticipated start of patient service operations (annual payroll cost projection should agree with the three-year expense projection);
3. Evidence that sufficient, adequately trained staff can be recruited and retained to operate the proposal if approved, including a discussion of the applicant's staff turnover rates in comparison with other similar providers;
4. A three-year projection of operating and non-operating expenses and revenues that, if applicable, disclose the impact of the proposal on the applicant organization and its patient charge structure as a whole;
5. Copies of audited financial statements and/or cost reports prepared for Title XVIII and/or XIX reimbursement for at least the last two fiscal years or for the period of time the institution has been in operation if less than two years;
6. If a proposal involves nursing facility care, the application shall include pro forma Medicaid and/or Medicare cost reports or equivalent for the first two operating years;
7. Projection of incremental operating expenses or adjustments to financial requirements for the first three operating years.
8. If the proposed capital expenditure is in excess of five million dollars, the applicant may be required to include a preliminary or full-scope financial feasibility study conducted by an independent certified public accountant; all assumptions applicable and sources of data used in preparing the financial projections shall be disclosed.
9. If the proposal involves an increase in an existing service, the application shall provide a three-year projection of the incremental changes in operating and non-operating expenses and revenues.

10. If the project will result in cost savings and/or cost reallocations, the application shall present a three-year projection of these savings and/or reallocations.
11. If a proposal involves the transfer of ownership of a nursing home, including a nursing home for the mentally retarded, the application shall demonstrate one of the following conditions in order to comply with Publication 34, "An Act to Save Medicaid Funds by Expanding the Ability of the Department of Human Services to Recover Funds from Prior Owners of Boarding and Nursing Homes". (22 MRSA §1714-~~A~~):
  - a. The former provider does not owe the Department any debts;
  - b. Sufficient cash will be available prior to or at closing to pay any debts owed to the Department by the former provider as a result of overpayments, recapture of depreciation, assessment of fines and sanctions, or projected overpayments;
  - c. If the indebtedness is the subject of an administrative appeal, an escrow account has been created and funded in an amount sufficient to cover the debt as claimed by the Department;
  - d. If an interim cost report has been filed with the Department, an escrow account has been created and funded in an amount sufficient to cover any overpayment identified in such a report;
  - e. If an interim cost report has not been filed with the Department, an escrow account has been created and funded in an amount sufficient to cover 5% of Medicaid reimbursement for the last fiscal year or \$50,000, whichever is less; or
  - f. The impact of transferring the liability for the debt owed to the Department from the former provider to the transferee.
12. If a proposal involves the transfer of ownership of a nursing home, including a nursing home for persons with mental retardation, the application shall present a computation of the recapture of depreciation due the Department consistent with the Medicaid Principles of Reimbursement and demonstrate the availability of sufficient cash at closing for the former provider to retire such debt.

## **SECTION VI. ALTERNATIVES CONSIDERED**

### **Purpose**

The primary purpose of this section is to demonstrate that the proposal is preferable to other options.

The Department may consider:

- the availability of less costly alternatives or more effective methods of providing the proposed services; and
- the availability of alternative uses of the resources for the provision of other health services.

### **Review Questions**

The types of questions the Department may ask include:

1. Are there other methods of providing the proposed service by the applicant or another provider?
2. Do the other alternatives have the potential for lower cost of construction, cost of operation or lower charge to patients?
3. Do other alternatives have the potential to serve the proposed population more conveniently, rapidly, safely, economically, humanely?
4. Do other alternatives have potential for more desirable funding through loans, grants, and 3rd party agreements?
5. Does the applicant provide a reasonable rationale for not choosing the alternatives?
6. Has the applicant demonstrated efforts to coordinate with providers of other related services?
7. Does the applicant fully explore the impact of more effective approaches?

#### Required Information

There are no specific information requirements associated with this section.

#### Additional Information

Information may include:

1. A description of the program and facility alternatives considered as possible responses to the demonstrated need and the rationale that led to their rejection, resulting in this proposed project;
2. A description of the extent and nature of the applicant's consultation and joint planning with other facilities and service groups in the community or service area; and
3. A discussion of any potential conflict or duplication between the proposed project and current or proposed projects of others in the service area.

### **SECTION VII. COMPLIANCE WITH RULES AND REGULATIONS OF LOCAL, STATE AND FEDERAL AGENCIES**

#### Purpose

The primary purpose of this section is to present information demonstrating that the proposal will be implemented at the proper standard of care.

The information enables the Department to determine the applicant's ability to establish and operate the facility or services in accordance with licensure regulations promulgated under pertinent municipal, State and Federal laws; and helps the Department to determine that the applicant is fit, willing and able to provide the proposed services at the proper standard of care.

The Department may consider:

- In the case of existing services or facilities, the quality of care provided by those facilities in the past.

#### Review Questions

The types of questions the Department may ask include:

1. Will the total facility meet licensure standards after the increased demand is placed upon the support services?
2. Does the proposed facility meet the Life Safety Code?
3. Is the proposal consistent with Licensing and Certification regulations?
4. Did the applicant provide documentation regarding compliance with applicable zoning requirements, environmental protection regulations, etc.? (For example, local site plan review, zoning approval, Department of Environmental Protection approval)

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#### Required Information

Information in this section shall include:

1. Evidence that the proposed project will meet licensure, Medicare and/or Medicaid certification requirements and other applicable certification or accreditation requirements;
2. Evidence that the proposed project will conform to applicable zoning requirements, environmental protection regulations, and other applicable municipal, State and Federal ordinances, statutes and regulations;
3. Explanation of how the planned project recognizes the issue of sprawl and how it addresses those concerns.

#### Additional Information

Information may include:

1. Evidence that the proposed project will voluntarily meet or exceed appropriate certification or accreditation standards;
2. Evidence that the proposed project will be consistent with professional standards and guidelines.

### **SECTION VIII. RELATIONSHIP TO STATE PLANNING DOCUMENTS**

#### Purpose

The primary purpose of this section is to demonstrate that the proposed project is consistent with State health planning documents and other related plans.



The information enables the Department to determine that the proposed services are consistent with the orderly and economic development of health facilities and health resources for the State and are in accordance with standards, criteria or plans adopted by the Department or other units of State government.

The Department considers:

- The relationship of the health services being reviewed to the State Health Plan.

#### Review Questions

The types of questions the Department may ask include:

1. Is the proposal consistent with the guidelines, criteria, standards, goals, objectives and/or policies expressed in State planning documents?

#### Required Information

There are no specific information requirements associated with this section.

#### Additional Information

Information in this section should supplement, not duplicate other section, to include:

1. A description of the relationship between this proposal and applicable standards, criteria or plans contained in State health planning documents; and
2. A description of the relationship between this proposal and applicable standards, criteria or plans contained in other State policy and/or planning documents.

### **SECTION IX. TIMELY NOTICE**

#### Purpose

The primary purpose of this section is to confirm that the applicant has provided sufficient notice of its intent to implement the proposal.

The information enables the Department to determine that timely notice appears to have been given.

#### Review Questions

The types of questions which the Department is asking include:

1. Has the applicant incurred an obligation for the proposed capital expenditure to date?
2. If obligations have been incurred, is the total amount less than the capital expenditure threshold published in the Maine Certificate of Need Procedures Manual?
3. If predevelopment activities are in progress, are the total capital obligations estimated to be less than the threshold published in the Maine Certificate of Need Procedures Manual?

4. Has the applicant followed the appropriate procedures outlined in the Maine Certificate of Need Procedures Manual?

#### Required Information

There are no specific information requirements associated with this section.

#### **Conclusion:**

Based upon its findings, the Department will make its preliminary recommendation concerning the proposed project. There are three recommendations that may be made:

1. Approval,
2. Conditional Approval, or
3. Disapproval

#### ADDITIONAL CONSIDERATIONS

Throughout the proposal, whenever appropriate, the applicant should provide information on aspects of the proposed project that may warrant special consideration.

The information may help the Department in making any of the determinations listed in the previous sections of this Guide.

The Department may consider:

1. The special needs and circumstances of health maintenance organizations;
2. The special needs and circumstances of those entities which provide a substantial portion of their services or resources, or both, to individuals not residing in health service areas in which the entities are located or in adjacent health service areas;
3. The importance of recognizing the public's choice of allopathic or osteopathic health services by considering the unique needs and circumstances of providers of allopathic and osteopathic health care;
4. The need for utilizing new technological developments on a limited experimental basis in the absence of sufficient data to establish the need for the services;
5. The gains that may be anticipated from innovative measures in the organization, financing and delivery of health care and the development of comprehensive services for the community to be served; and
6. The special needs and circumstances of biomedical and behavioral research projects which are designed to meet a national need and for which local conditions offer special advantages.

7. For any facility located within 30 miles of the State border, the gains that may be anticipated from the ability to attract health care consumers from out-of-state and the ability to provide health care for Maine citizens who formerly had to obtain that care out-of-state;

#### Review Questions

The types of questions the Department may ask include:

1. Does this project propose to utilize newly developed technology or techniques wherein experiential data is unavailable for evaluation?
2. Has data been developed in other areas of the country or world that might be applicable to review of this project?
3. Does the applicant express intent to gather, maintain, and share data and information regarding this project?
4. Has the applicant demonstrated a project approach that could be viewed as innovative or non-traditional?
5. Has the applicant justified this approach as necessary or as an improvement potentially over traditional approaches?
6. Does the applicant indicate the nature of any advantage gained through the innovation to patient care, finance, resources use, or community service?
7. Does this project have potential for contribution toward total health knowledge through research?
8. Does the applicant intend to utilize acceptable research techniques to develop and share new knowledge gained?
9. Does this project duplicate existing similar projects elsewhere in the country or world?
10. Will the applicant cooperate with such other projects through information sharing?
11. Does the applicant demonstrate the intent to allow referral, treatment, privilege, and other related utilization opportunity for all types of profession categories such as allopathic, osteopathic, homeopathic, chiropractic, dental, psychology, pediatric, ophthalmology, etc. as appropriate?
12. Does the applicant demonstrate the intent and potential to provide a full spectrum of necessary services to qualify as an HMO for purposes of reimbursement, licensure, insurance, commission approval, etc?
13. Does the applicant demonstrate the potential to gain an appropriate size enrollment within a reasonably sized area?
14. Has the applicant modified the proposal to respond to the unique needs of the population to be served, such as disease trends, minority requirements, ethnicity, cultural bias, and geographic influences?
15. Has the applicant obtained letters of support and/or cooperation from area facilities?

16. Does the federal government express support for the proposal and willingness to fund the project?

MAINE CERTIFICATE OF NEED MANUAL  
IMPLEMENTATION REPORT

MAINE DEPARTMENT OF HUMAN SERVICES  
Certificate of Need Unit

### General Instructions

The following sequences of instructions have been designed to provide you with assistance in filling out the attached Implementation Report which includes the Approved Certificate of Need Capital Expenditure Budget.

1. Project Title - insert the name of the project for which the Certificate of Need was granted.
2. Sponsor - insert the applicant's name, address and telephone number.
3. Contact Person - insert the name of the person having information and knowledge about the contents of the implementation report and approved C.O.N. capital expenditure budget.
4. Date Certificate of Need Issued - indicate the date of the Certificate of Need approval letter.
5. Date of Previous Implementation Report(s) Relating to this Project - list the dates of implementation reports you previously submitted related to this project. Place the word 'FIRST,' in this space if this is your initial report submission.
6. Name and Source of Financing - provide the name of the organization or institution providing the financing for this project.
7. Amount Financed/Terms - indicate amount financed and the terms of the financing, including interest rates and whether or not it is a fixed, variable or other type of rate.
8. Equity Contribution - indicate source of equity and its form (i.e. Stock Sales.. funded depreciation contributions, etc.).
9. Date of Financing - indicate the date financing will begin in relationship to this project.
10. Numbers of Staff Recruited - indicate numbers of staff and positions successfully recruited for this project.'
11. Staff Training Sessions - indicate dates, names of training sessions given during this reporting period in relationship to this project.
12. Service Delivery Contract(s) - enter here the organization or individual name and effective date of any contracts entered into for services, during this reporting period.
13. Date of Licensure - provide the. date of licensure or change in licensure issued by Department of Human Services.
14. Date Service(s) Offered - enter here the date(s) you actually began offering services.
15. Number Patients Seen - enter the number oil patients seen relative to this project for this reporting period.

16. Number Procedures Performed - enter the number and type of procedures performed relative to this project, during this reporting period.
17. Depreciation Schedule

IMPLEMENTATION REPORT

DATE: \_\_\_\_\_

REPORT PERIOD: \_\_\_\_\_

I. PROJECT TITLE \_\_\_\_\_

II. SPONSOR: NAME \_\_\_\_\_ TELEPHONE \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

III. CONTACT PERSON: NAME \_\_\_\_\_ TELEPHONE \_\_\_\_\_

ADDRESS: \_\_\_\_\_

IV. DATE CEPTIFICATE OF NEED ISSUED \_\_\_\_\_

V. DATE(S) OF PREVIOUS IMPLEMENTATION REPORT(S) RELATING TO DHHS PROJECT

\_\_\_\_\_

VI. FINANCING COMMTTMENT:

a. NAME AND SOURCE \_\_\_\_\_

b. AMOUNT FINANCED/TERMS \_\_\_\_\_

c. DATE OBLIGATION ENTERED \_\_\_\_\_

VII. EQUITY CONTRIBUTION

a. DATE MADE \_\_\_\_\_

b. AMOUNT \_\_\_\_\_

c. SOURCE/SALE OF STOCK,

d. FUNDED DEPRECIATION,

e. PUBLIC CONTRIDUTIONS, ETC. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

VIII. NUMBER(S) OF STAFF RECRUITED \_\_\_\_\_



IX. STAFF TRAINING SESSION \_\_\_\_\_

X. DATE(s) OF SERVICE DELIVERY CONTRACT (ARRANGEMENT(S)) \_\_\_\_\_

XI. DATE(S) OF LICENSURE(S) \_\_\_\_\_

XII. DATE SERVICE(S) OFFERED \_\_\_\_\_

XI., NO. PATIENTS SEEN: MONTHS 1-3 \_\_\_\_\_ PROCEDURES PERFORMED: MONTHS 1-3 \_\_\_\_\_

PER DIEM COST: MONTHS 1-3 \_\_\_\_\_ PER PROCEDURE COST: MONTHS 1-3 \_\_\_\_\_

XIV. DEPRECIATION SCHEDULE

XV. CON APPROVED

<u>COST</u>	<u>LIFE</u>	<u>ANNUAL</u> <u>DEPREC.</u>	<u>COST</u>	<u>ACTUAL</u> <u>LIFE</u>
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BUILDING

EQUIPMENT

XV. ADDITIONAL ACTIVITIES

\_\_\_\_\_

XVI. DATE FULL IMPLEMENTATION ACHIEVED

\_\_\_\_\_

XVII. COMMENTS

\_\_\_\_\_

SIGNATURE

DATE

TITLE/ORGANIZATION